Effect of WTO Norms on Farmers

1242. SHRI *K.C.* KONDIAH: Will the Minister of AGRICULTURE be pleased to state whether Government would indicate the effect of the World Trade Organization norms on farmers of the country?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S.B.P.B.K. SATYANARAYANA RAO): The Agreement on Agriculture (AOA), which is one of the Agreements under the World Trade Organisation (WTO), came into force from 1st January, 1995. The Agreement incorporates three broad areas of commitments viz., (i) market access i.e. the disciplines on import restraints and import tariff, (ii) domestic support, i.e. subsidies by Governments to domestic farmers, and (iii) export subsidies. Under market access provisions, the ACA seeks to convert all non-tariff barriers such as Quantitative Restrictions into tariffs. The tariff levels have been bound by India for primary agricultural products, processed agricultural products and edible oils, with a few exceptions, at 100%, 150% and 300% respectively. Therefore, import of agricultural commodities into India can be suitably regulated by imposing appropriate tariffs within the bound levels which, would protect the interest of farmers. Regarding domestic support, the ACA seeks to identify acceptable measures of support to farmers and to limit unacceptable trade-distorting support to farmers. The permissible *category of* support includes Government assistance on general services, viz., (i) research, pest and disease control, training, extension, and advisory services, (ii) public stock holding for food security purposes, (iii) domestic food aid, and (iv) direct payment to producers like Governmental financial participation in income insurance and safety nets, relief from natural disasters, and payments under environmental assistance programmes. Only the Aggregate Measure of Support (AMS) comprising the Product specific support and Non-Product specific support given to the agricultural sector is subject to reduction commitments. A maximum level of AMS upto 10% of the value of agricultural output for developing countries, such as India, and upto 5% for developed countries is exempt from reduction commitments. AMS given to the agricultural sector in India is presently below the permissible maximum level of 10% of the value of agricultural output and, therefore, India is under no obligation to reduce domestic support rendered to the agricultural sector. India has no reduction commitments under export subsidies since no such subsidies are provided by the Government.

Food security concerns are central to the agricultural policy of India and the export-import policy of agricultural products is governed principally by such concerns, the *need* to maximise farmer's income and foreign exchange

earnings and the need to augment domestic availability of agricultural products, while at the same time protecting, and providing avenues for rural employment.

Mega Dairy Project in Karnataka

1243. SHRI K.C. KONDAIAH: Will the Minister of AGRICULTURE be pleased to state:

(a) whether National Dairy Development Corporation has come forward to set up a six lakh litre capacity MEGA dairy in Karnataka;

(b) if so, the estimated cost of the proposed Mega Dairy; and

(c) when will it be set up?

THE MINISTER OF STATE IN MINISTRY OF AGRICULTURE (DR. DEBENDRA PRADHAN): (a) The National Dairy Development Board (NDDB) is not setting up a Mega Dairy at Bangalore. But, the Bangalore Milk Union is setting up a Mega Dairy of six lakh litres per day at Bangalore with financial assistance from NDDB.

(b) Rs. 38.70 crore.

(c) It is expected to be set up by October, 2000.

Foodgrains Allocated to Drought Hit States

1244. SHRI KRISHNA KUMAR BIRLA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the recently drought affected States of Rajasthan, Gujarat and Andhra Pradesh lifted an insignificant portion of the foodgrains stock allocated to them for the drought affected areas and instead preferred financial assistance to meet the situation;

(b) if so, what are the details thereof stating the percentage of foodgrains allocated lifted by each of the affected States and the reasons for their refusal to lift the foodgrains; and

(c) the extent of the financial assistance given by Government as against their demand?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S.B.P.B.K. SATYANARAYANA RAO): (a) and (b) In the wake of drought, a special allocation Of 13.81 lakh tonnes foodgrains was made to the